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6450-01-P

## DEPARTMENT OF ENERGY

### Bonneville Power Administration Proposed Revision of BPA's Billing Credits Policy of 1993

**AGENCY:** Bonneville Power Administration (BPA), Department of Energy.

**ACTION:** Proposed Revision of BPA's Billing Credits Policy.

**SUMMARY:** This notice announces BPA's proposal to revise its Billing Credit Policy and to provide Billing Credits for conservation.

**DATES:** Written comments are due to the address below no later than November 14, 2014.

**ADDRESSES:** Comments and suggestions on the proposed Billing Credits Policy revision for this project may be mailed by letter to Bonneville Power Administration, Public Affairs – DKE-7, P.O. Box 14428, Portland, OR 97292-4428. Or you may FAX them to 503-230-4019; submit them on-line at [www.bpa.gov/comment](http://www.bpa.gov/comment); or e-mail them to [comment@bpa.gov](mailto:comment@bpa.gov)

**FOR FURTHER INFORMATION CONTACT:** Scott Wilson, Bonneville Power Administration – PSW-6, P.O. Box 3621, Portland, Oregon, 97208-3621; toll-free telephone number 1-800-622-4519; fax number 503-230-3242; e-mail [skwilson@bpa.gov](mailto:skwilson@bpa.gov).

#### **SUPPLEMENTARY INFORMATION:**

Proposed Action: Proposed Revision of BPA's Billing Credits Policy.

Process to Date: Bonneville Power Administration (BPA) worked with its customers throughout 2014 to explore improvements to its Energy Efficiency (EE) program. Based on the collaborative work with its customers, BPA proposes to revise its Billing Credits

Policy to offer a Billing Credit program for conservation pursuant to section 6(h) of the 1980 Pacific Northwest Electric Power Planning and Conservation Act that focuses on the independent conservation activity of BPA's customers and the potential of that activity to reduce the BPA Administrator's need to acquire resources from conservation. BPA's existing Billing Credits Policy interprets the Billing Credits provisions in the Northwest Power Act, prescribes criteria for customer and resource eligibility, and establishes procedures for granting Billing Credits. With the proposed revision of BPA's Billing Credits Policy, BPA would consider customer requests for Billing Credits in exchange for a customer's independent acquisition of conservation performed during the FY2016-2017 rate period and throughout the duration of customers' existing Regional Dialogue contracts.

#### Billing Credit Amount

BPA proposes to develop a formula for determining the Billing Credit amount based on the costs that BPA avoids by not providing the customer Energy Efficiency Incentive (EEI) funding under Energy Conservation Agreements (ECA). The formula would be designed with the intent to reasonably assure rate neutrality for all customers, whether or not they choose to participate in the Billing Credit program.

The formula would be constructed as follows. BPA would determine the average annual incremental cost that BPA would incur by borrowing for, and managing the distribution of, EEI funds for the participating customers. In making that determination, BPA would use a comparable amortization period and interest rates matching those forecast in the rate case for the initial years the Billing Credit would be granted. The

average annual incremental cost over the amortization period would represent the annual Billing Credit amount that a participating customer is expected to receive.

BPA's final rates would be updated to account for customer choices to forego the EEI and to include the costs of customer Billing Credits. A participating customer would agree to a Billing Credits special provision in its Regional Dialogue Contract that would define the amount of forecasted conservation savings the customer is obligated to achieve, which is expected to be the same amount that would have been achieved under the ECA.

#### Public Involvement

BPA has established a 30-day comment period during which customers, stakeholders, and any other interested parties are invited to comment on the proposed policy revision. This comment period will help BPA ensure that a full range of issues related to this proposal is addressed in an Administrator's Record of Decision. BPA will consider and respond to comments received on the proposed policy revision. BPA's subsequent decision will be documented in an Administrator's Record of Decision.

#### National Environmental Policy Act

BPA is in the process of assessing the potential environmental effects of the proposed billing credits policy revision consistent with the National Environmental Policy Act. Comments regarding the potential environmental effects of the proposal may be submitted to Katherine Pierce, NEPA Compliance Officer, KEC-4, Bonneville Power Administration, 905 NE 11th Avenue, Portland, OR 97232. Any such comments received by the comment deadline will be considered by BPA's NEPA compliance staff in the NEPA process that will be conducted for this proposal.

Issued in Portland, Oregon, on October 1, 2014.

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Elliot E. Mainzer,  
Administrator and Chief Executive Officer.

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